

September 18, 2006

Good Morning Committee Members,

I am Jeff Zylstra, Director of Royal Atrium Inn. Our facility is a member of the Michigan Association of Homes and Services to the Aging. MAHSA members are not-for-profit 501(C)(3) corporations that offer comprehensive services, housing and benevolent care to Michigan's seniors.

As a member of the House Tax Policy Committee, I am writing to ask for your support of House Bill 6209.

- In Michigan there is growing trend by local municipalities to impose property taxation on not-for-profit providers of assisted living and health care facilities. Several MAHSA members who were previously not taxed were placed on the property tax rolls this year while others were exempted.
- The taxes assessed against these not-for-profit facilities are directly passed on to the seniors who are often living on a fixed budget. The property tax bill for our 72 apartment assisted living community was \$130,000 in 2006, over **\$1800/resident per year**. If the State of Michigan is truly serious about providing affordable assisted living, taxing not-for-profit providers (ultimately their residents) is a step in the wrong direction.
- In the Michigan Public Health Code licensed health facilities are tax exempt.
- The recent Michigan Supreme Court decision in *Wexford Medical Group s. City of Cadillac*, SC Docket No. 127152 ruled in favor of the Wexford Medical Group. However, without law, court decisions are subject to interpretation and challenges. Keep not-for-profits tax exempt!

Sincerely,

Jeffrey V. Zylstra
Director, Royal Atrium Inn
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Zeeland, MI